SAN BERNARDINO COUNTY ECONOMIC FORECAST

San Bernardino County has one of the fastest growing economies in California. It created jobs at a rate of 3.6 percent in 2017, compared to 2.0 percent for the broader state. Several industries are growing very rapidly in the county, including construction, transportation and warehousing, and healthcare.

Due to robust job creation, the San Bernardino County unemployment rate has improved substantially, falling to 4.9 percent in 2017. The local economy has now reached "full employment" conditions, meaning that virtually everyone who wants a job already has a job.

Weakness in the retail sector has been observed in some parts of California, but rapid economic growth has prevented a similar slowdown in San Bernardino County. In 2017, more than 75 new retail stores were established across the county, and more than 2,000 retail jobs were created.
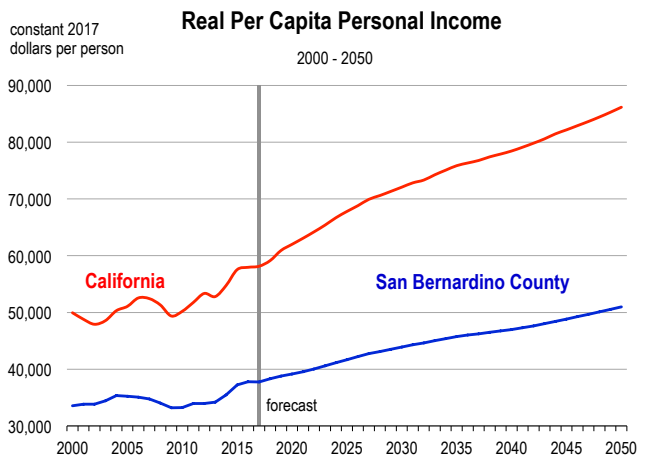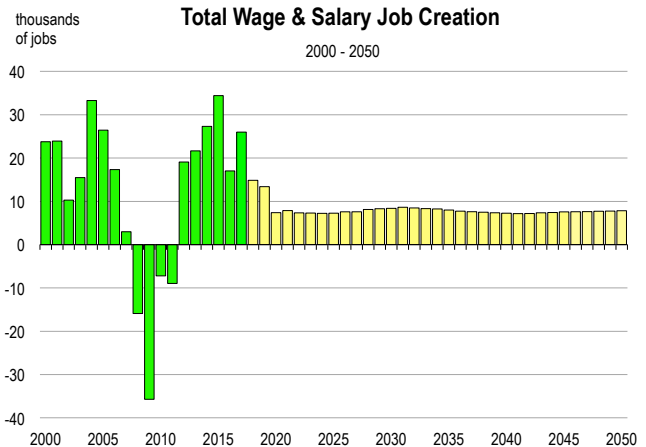
From 2012 to 2017, an average of 4,200 homes were built each year. The vast majority of these units were single-family houses. Because San Bernardino County has large amounts of buildable land, housing development has tended to spread out into new single-family communities, rather than be forced up into multifamily skyscrapers.

But housing production is not keeping pace with population growth, leading to rapid increases in home prices. Over the past five years, prices have increased at an average rate of 14 percent, reaching a median of $310,000 in 2017. That said, homes are much more affordable in San Bernardino County than other parts of the state. Across Coastal California, households often spend more than 35 percent of their income on mortgage payments and rent. But in San Bernardino County this figure is typically less than 25 percent, although there are a substantial number of households near the poverty line that spend much more.

San Bernardino County is becoming a hub for the logistics industry. Because of its affordable real estate and proximity to the ports of Los Angeles and Long Beach, logistics firms are relocating to the county, and a number of large corporations have established fulfillment centers in the region. Many of these facilities can be classified as "megawarehouses," which typically have at least a million square feet of storage and processing capacity.

FORECAST HIGHLIGHTS

- In 2018, total wage and salary employment will increase by 2.0 percent. From 2018 to 2023, total employment will grow at an annual average rate of 1.1 percent.

- Because the local economy has reached a "full employment" scenario, further improvements in the unemployment rate are expected to be minimal.

- The strongest employment gains will be observed in education and healthcare, leisure and hospitality, transportation and warehousing, and professional business services. Combined,

Total Wage & Salary Job Creation
2000 - 2050
thousands of jobs

Real Per Capita Personal Income
2000 - 2050
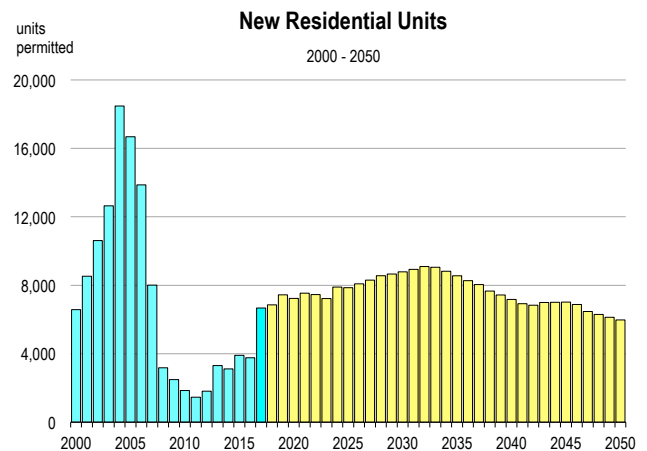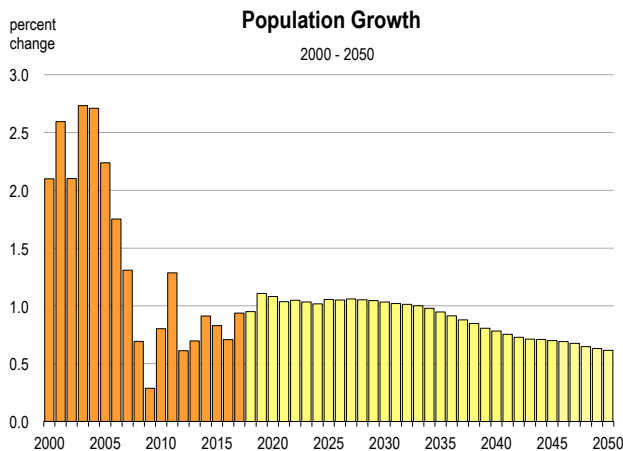constant 2017 dollars per person

these industries will account for 71 percent of net job creation between 2018 and 2023.

- Average salaries are currently below the California state average, and will remain so over the foreseeable future. In San Bernardino County, inflation-adjusted salaries are expected to rise by an average of 1.1 percent per year between 2018 and 2023, which will be slower than statewide growth.

- The population will continue to expand quickly. Annual growth in the 2018-2023 period is expected to average 1.1 percent.

- Net migration has been low in recent years, but will accelerate over the forecast period with an average of 7,400 net migrants entering the county each year. Net migration will account for almost a third of all population growth.

- Housing production will accelerate over the forecast period, but will not keep pace with population growth, causing home prices to continue to rise rapidly. Many of the county's new homes will be in the community of Ontario Ranch, where 18,000 could be constructed over the next several decades.

San Bernardino County Economic Forecast
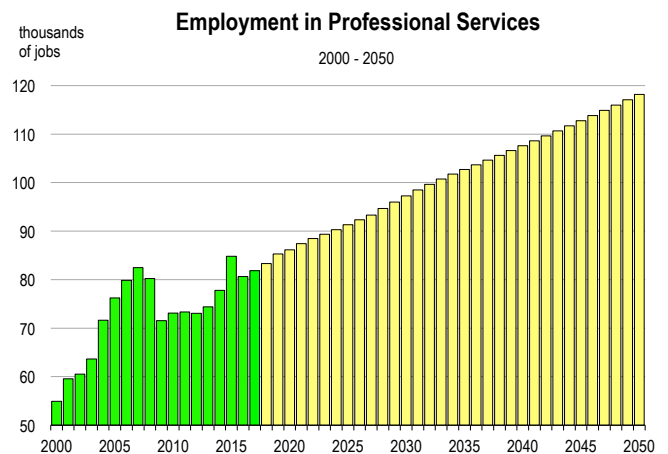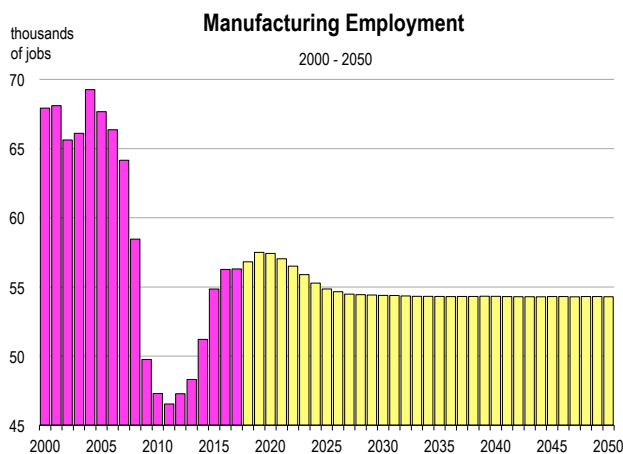## 2010-2017 History, 2018-2050 Forecast

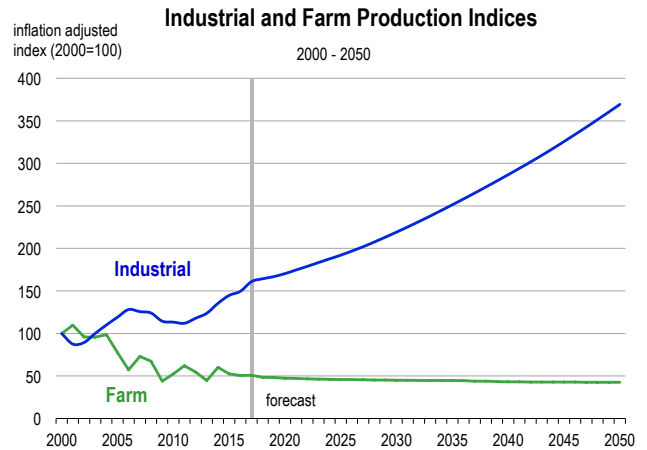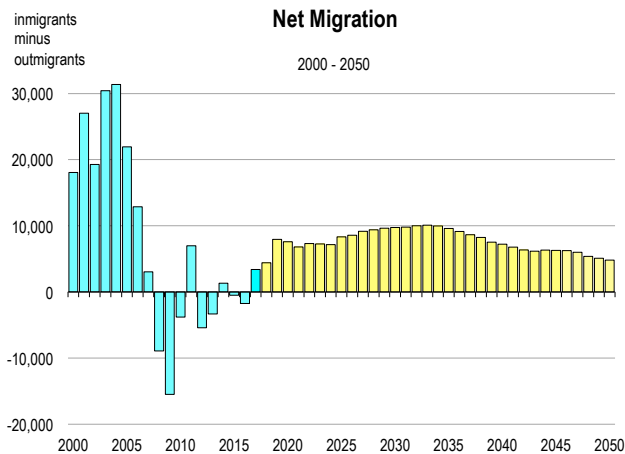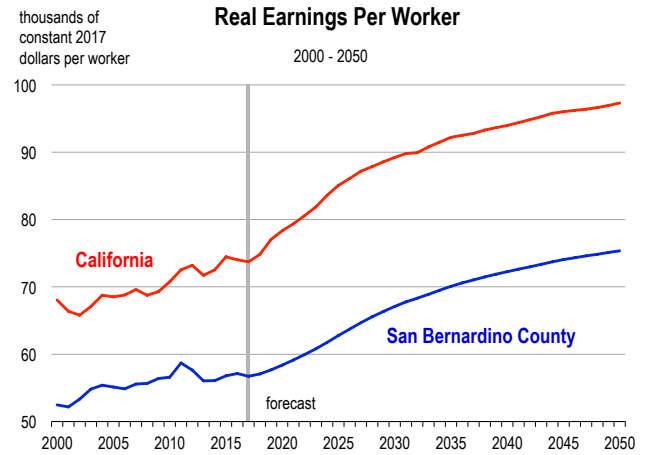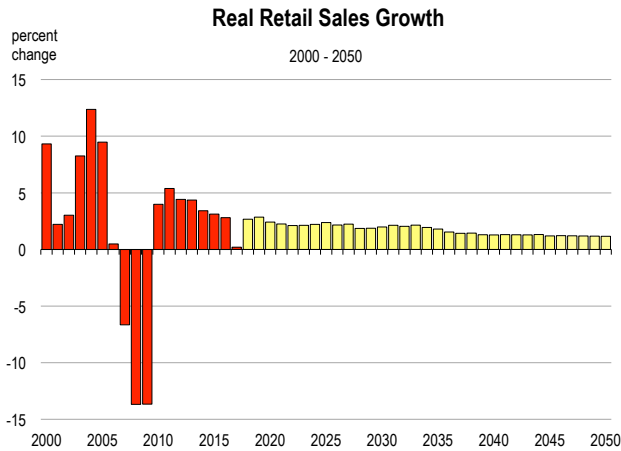|	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemployment Rate (percent)
2010	2,038,546	-3,778	1.64	611.6	1,847	$24.7	$59.8	$33,245	1.2	485.0	18.0	13.5
2011	2,064,762	6,974	1.63	613.7	1,465	$27.3	$63.4	$33,946	2.7	573.8	17.8	12.9
2012	2,077,397	-5,423	1.63	617.5	1,810	$29.5	$65.2	$33,955	2.0	505.1	18.7	11.4
2013	2,091,890	-3,318	1.68	622.8	3,313	$31.2	$66.8	$34,179	1.1	413.5	19.7	9.8
2014	2,110,975	1,321	1.72	625.4	3,115	$33.1	$70.9	$35,480	1.3	557.0	21.5	8.0
2015	2,128,499	-477	1.76	628.8	3,912	$35.3	$75.6	$37,209	0.9	485.8	23.0	6.5
2016	2,143,578	-1,733	1.84	629.8	3,761	$37.0	$78.8	$37,802	1.9	469.2	23.8	5.8
2017	2,163,680	3,398	1.93	636.9	6,672	$37.5	$81.7	$37,749	2.8	470.1	25.6	4.9
2018	2,184,245	4,413	2.00	639.3	6,857	$39.5	$86.0	$38,319	2.7	448.0	26.1	4.7
2019	2,208,439	7,951	2.06	645.4	7,442	$41.5	$90.0	$38,799	2.2	446.0	26.5	4.4
2020	2,232,320	7,591	2.12	652.0	7,233	$43.9	$94.7	$39,151	3.2	439.6	27.1	4.6
2021	2,255,454	6,805	2.16	658.5	7,539	$46.0	$99.2	$39,551	2.6	435.8	27.8	4.7
2022	2,279,108	7,319	2.20	665.2	7,457	$48.2	$104.1	$40,034	2.6	432.3	28.4	4.9
2023	2,302,671	7,258	2.24	671.9	7,224	$50.4	$109.2	$40,568	2.5	429.1	29.1	5.0
2024	2,326,104	7,157	2.27	678.4	7,896	$52.7	$114.5	$41,138	2.3	426.7	29.8	5.2
2025	2,350,647	8,330	2.30	685.4	7,858	$55.1	$119.8	$41,684	2.2	424.8	30.5	5.3
2026	2,375,346	8,575	2.32	692.4	8,084	$57.4	$125.2	$42,216	2.1	423.2	31.3	5.3
2027	2,400,526	9,171	2.34	699.7	8,301	$59.9	$130.6	$42,729	2.0	422.1	32.1	5.3
2028	2,425,800	9,396	2.36	707.1	8,558	$62.4	$136.3	$43,117	2.3	419.7	33.0	5.3
2029	2,451,175	9,638	2.38	714.7	8,658	$64.9	$142.0	$43,513	2.1	418.1	33.9	5.3
2030	2,476,514	9,745	2.39	722.5	8,786	$67.5	$147.7	$43,903	2.0	417.0	34.8	5.3
2031	2,501,783	9,801	2.41	730.3	8,929	$70.3	$153.5	$44,305	1.9	416.3	35.8	5.3
2032	2,527,137	10,010	2.42	738.3	9,095	$73.2	$159.5	$44,630	2.1	414.8	36.8	5.3
2033	2,552,433	10,094	2.44	746.4	9,053	$76.1	$165.4	$45,027	1.7	415.0	37.8	5.3
2034	2,577,425	9,980	2.45	754.5	8,820	$79.0	$171.7	$45,395	1.9	414.3	38.9	5.3
2035	2,601,845	9,600	2.47	762.4	8,555	$82.1	$178.2	$45,751	2.0	413.4	40.0	5.3
2036	2,625,627	9,146	2.48	770.0	8,269	$85.4	$185.3	$46,008	2.4	410.8	41.0	5.3
2037	2,648,709	8,653	2.49	777.4	8,042	$88.8	$192.6	$46,234	2.5	407.9	42.1	5.3
2038	2,671,170	8,243	2.51	784.6	7,662	$92.1	$199.9	$46,504	2.3	405.8	43.3	5.3
2039	2,692,719	7,529	2.52	791.4	7,433	$95.7	$207.7	$46,740	2.5	402.9	44.4	5.3
2040	2,713,786	7,222	2.54	798.1	7,173	$99.3	$215.6	$46,993	2.4	400.5	45.6	5.3
2041	2,734,259	6,779	2.55	804.5	6,923	$102.8	$223.5	$47,297	2.2	398.9	46.8	5.3
2042	2,754,178	6,353	2.56	810.7	6,836	$106.3	$231.6	$47,634	2.1	397.7	48.0	5.3
2043	2,773,804	6,164	2.58	816.8	6,995	$109.9	$239.9	$48,010	2.0	396.9	49.2	5.3
2044	2,793,495	6,329	2.59	823.0	7,006	$113.4	$248.2	$48,440	1.8	396.8	50.5	5.3
2045	2,813,051	6,285	2.60	829.3	7,018	$117.1	$257.2	$48,832	2.0	396.1	51.8	5.3
2046	2,832,500	6,252	2.61	835.6	6,878	$120.8	$266.2	$49,243	1.9	395.7	53.1	5.3
2047	2,851,647	6,001	2.62	841.7	6,468	$124.6	$275.5	$49,655	1.9	395.3	54.5	5.3
2048	2,870,117	5,382	2.64	847.5	6,297	$128.5	$285.1	$50,082	1.9	395.0	55.9	5.3
2049	2,888,245	5,098	2.65	853.1	6,130	$132.5	$295.0	$50,521	1.9	394.7	57.3	5.3
2050	2,906,026	4,817	2.66	858.6	5,975	$136.6	$305.4	$50,982	1.9	394.4	58.7	5.3

Population Growth
2000 - 2050

New Residential Units
2000 - 2050

San Bernardino County Employment Forecast
2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	--employment (thousands of jobs)--											
2010	616.5	2.60	24.3	47.3	46.4	106.6	21.4	73.1	3.8	90.2	55.1	125.2
2011	607.6	2.45	25.0	46.5	47.6	106.3	21.3	73.3	4.5	91.1	55.1	113.3
2012	626.6	2.43	26.8	47.3	52.0	112.5	21.4	73.1	5.3	94.7	57.1	112.5
2013	648.3	2.42	27.4	48.3	53.5	116.5	21.8	74.4	5.3	102.1	60.9	114.0
2014	675.6	2.55	30.1	51.2	58.8	119.7	22.4	77.8	5.0	105.3	64.3	116.1
2015	710.1	2.20	32.7	54.9	63.3	123.8	23.0	84.8	5.0	109.9	68.3	118.8
2016	727.1	1.85	33.8	56.3	67.0	126.5	23.8	80.7	5.2	114.1	71.5	122.9
2017	753.1	1.82	35.7	56.3	75.1	129.0	23.8	81.9	5.2	119.7	74.0	126.7
2018	767.9	1.79	37.7	56.8	76.1	130.4	24.3	83.3	5.3	122.6	76.4	128.3
2019	781.3	1.77	38.8	57.5	78.7	131.9	25.0	85.3	5.3	125.2	77.8	128.3
2020	788.7	1.75	39.4	57.4	80.5	132.9	25.3	86.1	5.3	127.1	78.2	128.4
2021	796.6	1.72	39.9	57.0	81.8	134.0	25.7	87.4	5.4	129.1	79.6	128.5
2022	803.9	1.70	40.3	56.5	83.1	134.9	26.0	88.5	5.4	131.0	81.0	128.8
2023	811.2	1.68	40.6	55.9	84.5	135.8	26.3	89.4	5.4	132.9	82.4	129.3
2024	818.4	1.66	41.1	55.3	85.8	136.7	26.6	90.3	5.4	134.9	83.2	130.2
2025	825.7	1.64	41.4	54.9	87.2	137.7	26.8	91.3	5.5	136.8	83.7	131.2
2026	833.3	1.63	41.7	54.7	88.7	138.7	27.1	92.3	5.5	138.6	84.3	132.2
2027	840.9	1.61	42.0	54.5	90.1	139.8	27.3	93.3	5.5	140.6	84.9	133.1
2028	849.0	1.60	42.3	54.4	91.5	140.7	27.5	94.7	5.5	142.9	85.4	133.8
2029	857.3	1.58	42.6	54.4	92.9	141.6	27.7	96.0	5.5	145.2	86.1	134.6
2030	865.7	1.57	42.9	54.4	94.4	142.5	27.8	97.3	5.6	147.6	87.0	135.4
2031	874.3	1.56	43.2	54.4	95.8	143.5	27.9	98.5	5.6	149.9	87.8	136.3
2032	882.8	1.55	43.5	54.3	97.2	144.5	27.9	99.6	5.6	152.3	88.7	137.3
2033	891.1	1.55	43.8	54.3	98.7	145.4	28.0	100.7	5.6	154.6	89.6	138.1
2034	899.3	1.54	44.1	54.3	100.1	146.4	28.1	101.8	5.6	157.0	90.6	138.9
2035	907.3	1.53	44.3	54.3	101.5	147.2	28.2	102.7	5.6	159.3	91.5	139.7
2036	915.1	1.52	44.6	54.3	102.8	148.0	28.2	103.7	5.7	161.7	92.5	140.3
2037	922.7	1.52	44.9	54.3	104.1	148.8	28.3	104.6	5.7	164.0	93.5	140.9
2038	930.2	1.51	45.2	54.3	105.3	149.5	28.3	105.6	5.7	166.4	94.5	141.3
2039	937.5	1.50	45.5	54.3	106.4	150.2	28.4	106.6	5.7	168.8	95.5	141.7
2040	944.8	1.49	45.8	54.3	107.5	150.9	28.4	107.6	5.7	171.1	96.6	141.9
2041	951.9	1.48	46.1	54.3	108.6	151.6	28.5	108.6	5.8	173.5	97.7	142.1
2042	959.1	1.47	46.5	54.3	109.7	152.3	28.6	109.6	5.8	175.9	98.8	142.2
2043	966.5	1.46	47.0	54.3	110.7	153.0	28.7	110.7	5.8	178.3	99.9	142.3
2044	973.9	1.45	47.4	54.3	111.7	153.7	28.8	111.7	5.8	180.6	101.1	142.5
2045	981.5	1.44	47.9	54.3	112.8	154.3	28.9	112.8	5.8	183.0	102.3	142.8
2046	989.1	1.44	48.3	54.3	113.9	155.0	28.9	113.8	5.9	185.4	103.4	143.2
2047	996.7	1.43	48.7	54.3	114.9	155.7	29.0	114.9	5.9	187.8	104.6	143.6
2048	1,004.4	1.43	49.1	54.3	115.8	156.3	29.1	116.0	5.9	190.3	105.9	144.0
2049	1,012.2	1.43	49.6	54.3	116.7	157.0	29.2	117.1	5.9	192.7	107.1	144.5
2050	1,020.0	1.42	50.1	54.3	117.6	157.6	29.3	118.2	5.9	195.2	108.3	145.0

Manufacturing Employment

thousands of jobs

2000 - 2050

Employment in Professional Services

thousands of jobs

2000 - 2050

Real Retail Sales Growth

percent change

2000 - 2050

Real Earnings Per Worker

thousands of constant 2017 dollars per worker

2000 - 2050

California

San Bernardino County

forecast

Net Migration

inmigrants minus outmigrants

2000 - 2050

Industrial and Farm Production Indices

inflation adjusted index (2000=100)

2000 - 2050

Industrial

Farm

forecast

County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	12.3%
Expected job growth:	5.6%
Fastest growing jobs sector:	Transportation & Utilities
Expected personal income growth:	11.6%

Expected population growth:	5.4%
Net migration to account for:	31.2%
Expected growth in number of vehicles:	12.0%

Demographics (2018)

Unemployment rate (April 2018):	3.6%
County rank* in California (58 counties):	20th
Working age (16-64) population:	65.1%

Population with B.A. or higher:	19.3%
Median home selling price (2017):	$310,000
Median household income:	$59,058

Quality of Life

Violent crime rate (2016):	454 per 100,000 persons
County rank* in California (58 counties):	36th
Average commute time to work (2018):	33 minutes

High school drop out rate (2017):	9.9%
Households at/below poverty line (2018):	15.4%

* The county ranked 1st corresponds to the lowest rate in California